

1.1 A bill for an act

1.2 relating to taxation; property; modifying business incubator exemption;
1.3 amending Minnesota Statutes 2008, section 272.02, subdivision 31.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2008, section 272.02, subdivision 31, is amended to read:

1.6 Subd. 31. **Business incubator property.** Property owned by a nonprofit charitable
1.7 organization that qualifies for tax exemption under section 501(c)(3) of the Internal
1.8 Revenue Code that is intended to be used as a business incubator in a high-unemployment
1.9 county, is exempt. As used in this subdivision, a "business incubator" is a facility
1.10 used for the development of nonretail businesses, offering access to equipment, space,
1.11 services, and advice to the tenant businesses, for the purpose of encouraging economic
1.12 development, diversification, and job creation in the area served by the organization, and
1.13 "high-unemployment county" is a county that had an average annual unemployment rate
1.14 of 7.9 percent or greater in 1997. Property that qualifies for the exemption under this
1.15 subdivision is limited to no more than two contiguous parcels and structures that do not
1.16 exceed in the aggregate 40,000 square feet. This exemption expires after taxes payable
1.17 in ~~2011~~ 2016.

1.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.